

United States Agency for International Development
Bureau for Democracy, Conflict and Humanitarian Assistance
Office of Food for Peace

DRAFT Pipeline and Resource Estimate Proposal (PREP) Guidance

DRAFT

Acronyms

AER	Annual Estimate of Requirements
ARR	Annual Results Report
AO	Agreement Officer
AOR	Agreement Officer's Representative
BEO	Bureau Environmental Officer
CDF	Community Development Funds
CF	Call forward
CP	Commodity pipeline
DCHA	Bureau for Democracy, Conflict and Humanitarian Assistance
DIP	Detailed Implementation Plan
EA	Environmental Assessment
EMMP	Environmental Mitigation and Monitoring Plan
ESR	Environmental Status Report
FFP	Office of Food for Peace
FFPMIS	Food for Peace Management Information System
FFP/M/R	Food for Peace Mission and/or Regional Office, as appropriate
FFP/W	Food for Peace/Washington
FMP	Fumigation Management Plan
FY	Fiscal Year
IEE	Initial Environmental Examination
IPTT	Indicator Performance Tracking Table
ITSH	Internal transport, storage and handling
LOA	Life of award
M&E	Monitoring and evaluation
NICRA	Negotiated Indirect Cost Rate Agreement
PEA	Programmatic Environmental Assessment
PERSUAP	Pesticide Evaluation Plan and Safe Use Action Plan
PREP	Pipeline and Resource Estimate Proposal
QWICR	Quarterly Web Interfaced Commodity Reporting
USAID	United States Agency for International Development
USG	United States Government

TABLE OF CONTENTS

- I. Background and Purpose
- II. PREP Format
- III. PREP Approval
- IV. PREP Components
 - A. PREP documents to be uploaded into FFPMIS
 - 1. PREP Narrative
 - a. Introduction
 - b. Bellmon Analysis Information
 - c. Commodity Justification and Calls Forward
 - d. Food Security Rations
 - e. M&E Plan
 - f. DIP Narrative
 - g. Branding Strategy & Marking Plan
 - h. Sustainability, Graduation, & Exit Strategies
 - 2. Environmental Status Report
 - 3. Pipeline Analysis
 - 4. Comprehensive & Detailed Budget & Budget Narrative
 - 5. DIP Table
 - 6. Evaluation, Studies, & Assessment List
 - 7. Affirmation of Certificates
 - 8. NICRA
 - 9. Completeness Checklist
 - B. Data directly entered into FFPMIS
 - 1. Commodity-Related Information
 - a. Ration Calculator
 - b. Commodity Pipeline
 - 2. Executive Summary Table
 - 3. Development Assistance Summary/Project Funds

Annex I: Monetization

Annex II: Environmental Status Report Guidance

Attachment I: Environmental Status Report Template

I. Background and Purpose

The Pipeline and Resource Estimate Proposal (PREP) describes an awardee's resource needs and interventions for the U.S. Government (USG) upcoming fiscal year (FY). All awardees currently implementing development (and, in some cases, multi-year emergency) food security activities that intend to operate past the end of the current FY must submit a PREP, even if additional resources will not be requested. Awards made in the fourth quarter of the previous FY (July 1 – September 30) or awards that have an expiration date in the current FY should work with their Agreement Officer's Representative (AOR) to determine which components of the PREP are required.

Each cooperative agreement explicitly outlines the life of award (LOA) resources, as applicable, for estimated costs: commodity tonnages, ocean freight, inland freight, program income; monetization proceeds; and set costs: Section 202(e) funds

PREP Check

Significant changes to an activity, such as adding, eliminating, escalating, or scaling back expenditures, targets, and/or activities, as well as changes to the LOA must be discussed with the AOR and the FFP/M/R **prior to drafting the PREP**.

Awardees must not introduce significant programmatic or budget changes in the PREP before consulting with FFP.

(enhanced and regular), internal transport, storage and handling (ITSH) funds, community development funds (CDF); as well as any other resources that were or will be provided by the United States Agency for International Development (USAID) during the LOA, and the awardee's cost share. Although the LOA is disaggregated into the fund categories named above, the Office of Food for Peace (FFP) is concerned primarily that awardees' multi-year budgets remain within the overall grand total of these categories. Any changes the awardee wishes to make to the allocation of the LOA among the fund categories should be discussed with the AOR and the appropriate contact in the FFP/Mission and/or Regional Office (FFP/M/R)

prior to drafting the PREP documentation. Moreover, exigent circumstances might compel an awardee to seek an increase in the LOA. Requests for increases in the LOA should also be discussed with the AOR and the FFP/M/R prior to drafting the PREP documentation. Note that only the Agreement Officer (AO) can approve an increase in the LOA. Similarly, changes to targets and activities must be discussed with the AOR and the FFP/M/R prior to drafting the PREP documentation.

PREPs should be submitted prior to the end of the current fiscal year. Awardees should work closely with their AOR in Washington (FFP/W) as well as contacts in the FFP/M/R, as appropriate, to determine a submission date for the PREP. In making this determination, awardees should consider factors including, but not limited to: (1) when the commodity and cash resources are needed; (2) activity planning cycles; (3) the due date of the close-out plan; (4) the expiration date of the award.

Note: Only bulk commodities can be called forward in September. August is the last month of the fiscal year in which packaged commodities can be called

forward. Also, FFP cannot process calls forward in the first quarter of the fiscal year (October/November/December). Awardees should factor in these constraints as they plan the commodity pipeline (CP) and call forward (CF) schedule.

Approval of the PREP is dependent upon the satisfactory completion of each component described in Section IV of this guidance.

II. PREP Format

The PREP will consist of the sections listed below. Some documents will be uploaded into the Food for Peace Management Information System (FFPMIS). Other PREP data will be directly entered into FFPMIS. For information on how to upload documents and enter information into FFPMIS, please refer to the [FFPMIS Manual](#). **Note: Only submit documents that are required per the PREP guidance.**

For documents that are uploaded, FFP requires the following:

1. The PREP narrative should be written concisely (15-20 pages) and address all the requirements outlined in the PREP narrative section of this guidance. Awardees who will need more than 20 pages to fulfill the requirements should discuss their reasons with the AOR.
2. All documents must be written in English and in 12-point font.
3. Narratives should be prepared in Microsoft Word, with print areas set to 8.5 x 11 inch, letter-sized paper, one-inch margins, left justification and a footer on each page including page number, date of submission, awardee, host country and USAID award number.
4. All Word documents must include page numbers.
5. Spreadsheets should be prepared in Microsoft Excel, in at least 10-point font with print areas set to 8.5 x 11 inch, letter-sized paper. Only the indicator performance tracking tables (IPTT) and detailed budget may be submitted on 8.5 x 14 inches, legal-sized paper.
6. When documents are revised during the review/approval process, the date on the document must be changed to reflect the submission date of the revision.

III. PREP Approval

Annual resource approval is subject to the availability of funds and commodities. Contingent on such availability and on successful implementation of activity interventions, PREPs will be evaluated and approved based on the technical and financial merits of the proposal as reflected in each component detailed in Section IV. PREP Components.

PREP Check

A properly prepared PREP will not include a lot of information that was provided previously to FFP; the PREP information is focused on the coming year, especially changes from what was previously approved. If information or documents that were provided previously are relevant, they should be referenced, not provided a second time.



The PREP is considered approved when the AO has signed the award modification.

IV. PREP Components

A. PREP Documents to be Uploaded into FPMIS

1. PREP Narrative

A complete PREP narrative includes a discussion of all the topics specified below in the order presented. Awardees should use the templates provided, as applicable. Please include only the information requested. If no changes from the approved award are requested for any of the components below, then the awardee should state that the section is not applicable, and provide an explanation in the *Completeness Checklist* component of the PREP. Supplemental information should be provided only if it directly supports information requested in the PREP. Please direct any questions regarding these instructions to the AOR.

The PREP narrative should have the following information on the cover page:

Awardee Name/Host Country
 USAID Award Number
 Submission Date

	MT (rounded to 10)	MT C&F (\$)	202e	ITSH	CDF	Other	Cost Share
Approved levels for the PREP year (from most recent modification):							
PREP requested levels:							
Total cash funding request:							
Total commodity costs:							
Total cost of PREP:							

Awardee HQ Contact Name
 Awardee HQ Contact Telephone
 Awardee HQ Contact Email
 Host Country Office Contact Name
 Host Country Office Contact Telephone
 Host Country Office Contact Email

a. Introduction: Food Security Activity Implementation and Responsiveness

PREP Check

The PREP should not exhaustively discuss prior year achievements. Achievements are reported in the ARR and in quarterly reports. Instead, the PREP should provide evidence that the activity is on track to meet the approved objectives or explain in detail why it is not.

A critical pre-condition to the approval of the PREP is the awardee's demonstration that the activity is making adequate progress towards achieving the approved objectives and targets. The PREP introduction should include a synopsis of activity by program area or element (e.g., agriculture, maternal and child health, environment, enabling environment). The synopsis should highlight any progress, as well as challenges, adjustments, and changes to the country context or assumptions that have arisen and are likely to affect (either positively or negatively) the

awardee's targets and/or results. Awardees whose activities are making only limited progress toward achieving objectives and targets should provide an explanation with a description of the operating environment, the extenuating circumstances that are impeding progress, and specific ways that the awardee plans to mitigate these obstacles in the upcoming year and in the out-years.

The awardee should discuss how concerns and/or recommendations identified in the *prior* PREP, annual results report (ARR), and quarterly reports, baseline or mid-term evaluation, learning events, and/or during field monitoring will be resolved or addressed in the coming year.

PREP Check

Awardees are required to track and report on any concerns and/or recommendations that USAID provided in writing that will be addressed/resolved in the coming year.

b. Bellmon Analysis Supplemental Information

To contribute to the soundness and thoroughness of the PREP, information should be provided showing that planned resource transfers (food distributions, vouchers, cash transfers and food commodities for monetization) will not disrupt local markets or reduce incentives to local agricultural production. It is therefore incumbent upon the awardees to know their operating environment by monitoring short- and long-term developments in the local, national and international markets of the commodities being programmed, as well as to ensure that the proposed distribution and/or monetization efforts will not interfere in local markets or reduce incentives to local agricultural production. For local and regional procurement, a market analysis must be done before implementation begins. To the extent possible, awardees should provide specific information about local markets in their implementation area. For example, does the lean season coincide with planned distributions? What is the availability of food in the markets, especially during the timeframe of the planned distributions? Provide data about price trends of key commodities in the local markets. Do market prices fall when food assistance distributions occur or increase when cash distributions occur? If so, for which commodities and to what extent? For those activities that have been providing in-kind food commodities from the United States, should a change to local and regional procurement of commodities, cash and/or vouchers be considered? For monetization activities, awardees should provide sufficient assurances that the anticipated sales price

approximates the import parity price for each commodity to be monetized. For direct distribution of commodities, awardees should provide evidence (based on levels of food insecurity, malnutrition, household income, etc.) that the methodology used to determine beneficiary populations ensures that the beneficiaries are indeed food insecure and the proposed distribution would be additive.

c. Commodity Justification and Calls Forward

Awardees must provide an explanation for the proposed quantity and type of commodities for the upcoming year, if different from the approved award. This section must also include an explanation of carry-over levels from the previous year, loans, and CF timing. For activities that have previously been approved to procure commodities locally and/or regionally, this section should include details about the commodities that will be procured, including tonnages, and information about where the awardee expects to source the commodities.

For more information on food security commodities and substitutable food assistance commodities available to FFP awardees, please refer to FFP's [Commodity Reference Guide Fact Sheets](#), which are available on the FFP website.

PREP Check

Changes to the "Food Security Rations" section should be discussed with the AOR and FFP/MR prior to preparing the PREP.

d. Food Security Rations

Describe the ration for each commodity per beneficiary type, if it has changed. Identify how often it is distributed. This can be presented in a table format, but please do not replicate information from the ration calculator table.

Awardees must detail and justify any changes in the food security ration size, composition, and/or the target population(s) for the upcoming year. For voucher and cash transfer programs, indicate the value of the transfer, percentage of the kilocalorie needs it is intending to cover, as well as an indicative food basket showing how the transfer value was determined.

If the number or type of interventions supported by food security rations change from the approved award, the awardee must discuss the reason(s) for the change. If more than one implementer is distributing rations in the host country (including public international organizations such as the World Food Program), discuss whether and how rations are coordinated among the implementers, including the host government.

Similarly, any changes in food security ration eligibility criteria must be described by award activity, where appropriate. For example, if the beneficiary numbers expand or shrink based on changes in specific targeting criteria, include a brief description of this change and the impact on the food security activity. Ration size and composition should correspond to the objective of the activity, taking into consideration associated nutrition issues and logistical and financial constraints and costs.

For more information on recommended dietary and energy allowances used to determine food security rations, please consult FFP's [Commodity Reference Guide Fact Sheets](#). In addition, [NutVal](#), the general food security ration planning, calculation, and monitoring application developed by the United Nations, is also a useful reference for ration determinations.

Note: Awardees must ensure that total metric tonnage levels per commodity described in this section match the commodities for direct distribution requested in the AER. The ration calculator, a separate tab in FFP MIS, calculates total metric tonnage levels based on information entered into the ration calculator and AER.

e. **Monitoring and Evaluation Plan**

<p>PREP Check</p> <p>All changes to the M&E plan must be approved. Therefore, proposed modifications to any aspect of the M&E plan should be discussed with the AOR and FFP/MR prior to drafting the PREP. Approved changes should be described in this section.</p>	<p>This section of the narrative should explain any approved changes to the monitoring and evaluation (M&E) plan. The M&E plan is a description of the entire M&E system of a FFP food security activity that includes the results framework (for activities awarded in 2013 or earlier), the Theory of Change (ToC) and logical framework (for activities awarded in 2014 or after), IPTT, annual monitoring strategy, data quality assurance strategy and M&E tools used. The awardee should revisit their ToC at least annually, and revise if</p>
<p>appropriate. If proposed changes are based on an assessment, research, evaluation, or special studies, brief summaries of key findings or recommendations should be included. Additionally, awardees should describe any planned assessments, research, evaluation, or special studies for the coming year, and how the awardee intends to use the findings to inform implementation and/or the ToC (if applicable). Refer to FFP's Policy and Guidance for Monitoring, Evaluation, and Reporting for Development Food Security Activities for more information.</p>	<p>PREP Check</p> <p>Interventions planned for the coming fiscal year must be adequately budgeted for. Those that were accomplished in a prior fiscal year or that will be carried out in a future fiscal year should not be included in this year's PREP budget.</p>

i. **Indicator Performance Tracking Table Narrative**

The IPTT Narrative should explain any approved changes to the indicators or targets. If any changes to the indicators and targets have been proposed to, and approved by the AOR, they should be included in the revised, approved IPTT. Awardees (since 2015) are expected to use the [FFP IPTT template](#).

f. **Detailed Implementation Plan (DIP) Narrative**

Refer to Section IV. A. 5. of this guidance for information about the DIP Table. The DIP Table and the DIP narrative must correspond to each other. The DIP narrative should not discuss previously approved interventions, except as outlined below. The DIP narrative should explain in detail, along with a clear rationale:

- any new interventions that were not previously planned but which the awardee is adding in order to enhance the activity; and elimination or revision of interventions resulting from lessons learned or other reasons. Note that significant changes, adding or eliminating, must be discussed in advance of the PREP submission with the AOR and the FFP/M/R.
- interventions that were planned for but not started in the prior fiscal year but that will be carried out in the PREP year;
- interventions that were planned for and started in the prior fiscal year but are behind schedule and will be completed in the PREP year;
- interventions that were planned for future fiscal years but that will be accelerated and started in the PREP year; and
- in reference to construction, any new geographical areas or new types of activities that were not approved in the original award.

USAID will reimburse allowable costs for only the construction activities listed in section D of the mandatory standard provision entitled “Limiting Construction Activities”, not to exceed the amount specified in the construction line item of the award budget. The recipient must receive prior written approval from the AO to transfer funds allotted for construction activities to other cost categories, or vice versa. Construction-related changes that will affect the budget should also be detailed in the budget narrative.

g. Review of Branding Strategy and Marking Plan

As applicable, discuss any changes to the Branding Strategy and Marking Plan implementation for the coming year.

h. Sustainability, Graduation, and Exit Strategies

This section should discuss the sustainability, graduation, and exit strategies of the program for the upcoming year. Awardees are expected to incorporate graduation and exit strategies into the design of their activity. FFP requires all awardees to incorporate interventions to promote sustainability. This includes: interventions to improve service providers’ sustained access to resources and capacities, service providers’ sustained motivation to provide the services, communities’ sustained motivation to use the services, and interventions to create linkages between the service providers and capacity strengthening organizations, even after the project has ended. If the project design lacks robust interventions or strategies to strengthen these factors, awardees will be expected to refine the strategies to improve sustainability. Additionally, over the course of implementation, the awardee should reexamine the exit strategy and update it as necessary.

PREP Check

This section should specifically describe the steps that will be taken in the coming year to shift ownership of interventions to the beneficiaries and/or local government. For example, a shift away from providing seeds directly to farmers and toward linking farmers with input markets would be discussed in this section. Identify any barriers to achieving full sustainability by the end of the activity.

Definitions of and guidance for graduation and exit strategies can be found in the

publication [Program Graduation and Exit Strategies: A Focus on Title II Food Aid Development Programs](#), published in the Food and Nutrition Technical Assistance II (FANTA-2) Project. More information on sustainability can be found in the [Technical Reference Chapters](#).

2. Environmental Status Report (ESR)

Information demonstrating that planned food distribution, commodity management, and interventions will not do any harm to the socio-environmental resources and the ways in which the awardee will manage the activity to reduce potential negative externalities is provided in the ESR. Awardees must submit an ESR with their PREP to describe the current status of environmental compliance as defined in the activity Initial Environmental Examination (IEE). The ESR is to include: 1) brief synopsis of progress to date to highlight any unforeseen circumstances, 2) environmental compliance budget and staffing, and 3) environmental monitoring. Guidance on requirements for the ESR is provided in Annex II, *Environmental Status Report Guidance*, of this PREP Guidance.

3. Pipeline Analysis

The pipeline analysis should show actual expenditure, accrued expenditure, and the projected cost of the entire award for the upcoming year. There is an available template on FFP's website. The pipeline analysis should be explained in the budget narrative.

4. Comprehensive and Detailed Budgets and Budget Narrative

Any changes to the budget should be highlighted for ease of review. Budgets, including the budget narrative, should be clearly linked to the technical narrative and DIP. Budget categories and line item names should remain consistent across the LOA, unless new or additional guidance is provided. For award signed in FY 2017 and later, comprehensive budgets must break down spending by program area or element. Awards from FY 2016 and earlier should break down detailed budgets by program area or element. As noted previously, the awardee's adherence to the approved LOA budgetary levels as described in the approved award agreement helps to facilitate an expeditious review and approval of the PREP. The awardee should be certain that their funding streams are clearly defined and changes are highlighted in the budget. Awardees should ensure that the budget captures interventions and expenses related to food security activity sustainability, exit strategy and close-out. A well planned budget, particularly in the final implementation year, will result in an organized close-out process. When preparing the budget for the upcoming fiscal year's PREP submission, awardees should reference the following, dependent on their award:

BUDGET ALERT

From FY 2017, the comprehensive budget - rather than the detailed - must be broken down by program area or element. **All sub-awardees must have separate detailed and comprehensive budgets and budget narrative**, and their budgets must also be broken down by program area or element. All expenses in the detailed budget must be calculated using formulas. There should be **no lump sum amounts** in the detailed budget.

- [22 CFR 211 – Transfer of Food Commodities for Use in Disaster Relief, Economic Development and Other Assistance](#)
- [22 CFR 226 – Administration of Assistance Awards to U.S. Non-Governmental Organizations](#) (applicable to awards made prior to December 26, 2014)
- [2 CFR 200 – Uniform Administrative Requirements](#)
- [2 CFR 700 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [2 CFR 230 – Cost Principles for Non-Profit Organizations](#) (applicable to awards made prior to December 26, 2014)
- [Food for Peace Information Bulletin \(FFPIB\) 14-01 – Eligible Uses of Section 202\(e\) and ITSH Funding, including the Budget Matrix attached to the FFPIB](#)
- [USAID Food for Peace Environmental Budgeting Guidance](#)

a. Comprehensive Budget

The comprehensive budget is a summary, by budget category, of the expenses that are included in the detailed budget. Examples of budget categories include: Salaries, Fringe Benefits, Overseas Allowances, Non-Employee Labor, Travel and Transport, Program Supplies, Other Direct Costs, Staff Training, Branding and Marking, Sub-Awards, Equipment > \$5,000, and Indirect Costs. Totals shown for each category must be the same in both the detailed budget and the comprehensive budget. The comprehensive budget must be presented in the same format as the comprehensive budget that was approved with the award. The names of categories and sub-categories should not be revised. Any changes to the comprehensive budget should be highlighted.

b. Detailed Budget

Awardees must submit a detailed budget for the upcoming implementation year. The detailed budget must be presented in the same format as the budget that was approved with the award. Line items should not shift between budget categories. Avoid including “Miscellaneous” and “Other” as line items in the detailed budget. Any changes to the detailed budget, including adding line items, should be highlighted.

c. Budget Narrative

The budget narrative must correspond to the detailed budget. Expenses that have not changed from the LOA budget that was approved with the award need not be included in the PREP budget narrative. Items to be discussed in the narrative include, but are not limited to, the following:

- Explain how the exchange rate was determined and applied if applicable. Awardees should discuss the exchange rate they intend to use with the FFP/M/R before preparing the budget.
- Discuss any new restricted goods, such as vehicles and pharmaceuticals with the AOR if these were not initially included in the LOA budget. These items require special consideration and approval.

- As noted in the DIP narrative section of this guidance, any construction-related changes to the budget should be discussed in the budget narrative.
- Highlight requests for procurement of any equipment¹ for the upcoming implementation year, with a description of and purpose for the equipment.
- Explain why there is carry-over from the prior year. All factors contributing to the carry-over should be discussed, e.g., international trips were not taken, some activities were canceled or delayed, procurement of supplies or equipment was postponed or canceled.
- Explain all shifts in the funding sources for a line item, e.g., a salary was previously funded with 50 percent Section 202(e)/50 percent ITSH resources, and the awardee is proposing to fund the salary with 75 percent Section 202(e)/25 percent ITSH resources. Highlight these shifts in the budget narrative.
- Justify the addition and elimination of line items. For example, if the awardee is adding a Senior Accountant and eliminating a Bookkeeper position, the change must be explained.
- Explain line item variances of 10 percent or more from the prior approved budget.
- Note if the provisional or final Negotiated Indirect Cost Rate Agreement (NICRA) has been updated since the last submission or whether NICRA rate changes are anticipated.
- Discuss any new policies and local laws that affect budget calculations, e.g., changes in benefits policies, insurance laws, laws with respect to employee separation/termination, that impact the budget. If no changes have occurred, simply note N/A.
- Per 22 CFR 216, Environmental Procedures, budgets to address environmental compliance requirements (including implementation of environmental mitigation measures, monitoring, and staffing), must be included in the detailed and comprehensive budgets and explained in the budget narrative. The budget narrative should particularly highlight environmental compliance costs for which a line item does not exist (or are integrated into line items) and where significant changes from previous years are made.
- Costs narrative related to resource transfers (cash and vouchers) should include transfer value going directly to participants (not including transfer fees), number of transfers across budget period and number of individuals and/or households targeted.

Funding Sources Other than Title II

a. Program Income

Awardees with program income must specify the amount of program income received to date. If applicable, discuss the reason for any shortfall from the target.

b. Cost Share

¹*Equipment* means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. However, consistent with recipient policy, lower limits may be established.

Awardees who cost share must specify the amount of cost share funds provided to date vis-à-vis the cost share commitment approved in the award. If applicable, discuss the reason for any shortfall and the plan for meeting the commitment. For the upcoming year, specify the amount of cost share that will be provided and identify the expenses that will be covered.

c. Other Funding Sources, e.g., Community Development Funds

Most FFP development activities are not currently monetizing. In some cases cash requirements are being met with CDF or increased programming of Section 202(e) resources (as allowed under the Food for Peace Act). In this section the awardee should discuss any anticipated challenges associated with the programming of these funds.

5. Detailed Implementation Plan (DIP) Table

The DIP is a management tool that summarizes, by month, all of the activities that will be implemented in the coming fiscal year. The DIP Table must correspond to the DIP Narrative, which is Section IV. A. 1. f. of this guidance. Awardees must ensure that activities planned for the coming fiscal year are appropriately budgeted for. Awardees must also ensure that activities that were previously budgeted for the coming fiscal year but that were accomplished in a prior year or that will be carried out in the future are reflected. In addition to regular activity interventions, the DIP must reflect:

- training of staff, including sub-awardee staff, government counterparts, etc.;
- meetings with sub-awardees and monitoring of their activities;
- learning activities that create intentional opportunities for reflection to inform adjustments to implementation;
- other noteworthy meetings such as with government officials, private enterprises;
- studies and research;
- environmental monitoring and mitigation activities;
- commodity calls forward; and
- reporting deadlines (QWICR, ARR, quarterly reports, PREP for the next fiscal year, etc.)

6. Evaluation, Studies, and Assessment List

Awardees must provide a list of assessments and studies, such as baseline surveys, evaluations, formative research, and/or special studies planned in the upcoming year.

7. Affirmation of Certifications

If applicable, awardees who already have up to date, signed forms in *Certifications, Assurances and Other Statements of the Recipient, an Additional Help for ADS 303* with the award approval may simply submit a signed [Affirmation of Certifications: A Mandatory Reference for ADS Chapter 303](#). Awardees should also write-in the awardee, host country or region names, and USAID award number underneath the signatures.

8. Negotiated Indirect Cost Rate Agreement

Only if changed, a copy of the latest NICRA negotiated between awardees and the USG should be submitted with the PREP.

9. Completeness Checklist

Awardees must submit the completeness checklist to ensure all applicable PREP components are included in the submission. If, for any reason, the awardee is not submitting a particular component, the awardee should explain in the Completeness Checklist why the component is not applicable to the PREP.

B. PREP Data Entered Directly into FFPMIS

The following is a list of PREP components that the awardee will enter directly into FFPMIS. Instructions for entering documents and data are provided in the [FFPMIS user's manual](#).

1. Commodity-related Information

Commodity-related information must be entered directly into the FFPMIS system. The Ration Calculator, AER, CP, and EST are submitted with the PREP via the corresponding tabs in FFPMIS. Periodic updates may be requested by FFP/W during the implementation year, but no more than quarterly, if necessary for resource management.

The Ration Calculator, AER, CP, and EST tabs detail how one year of commodities and cash resources are programmed and details the resource request for the year. Totals provided in the Ration Calculator, AER, CP, and EST should match those provided in the PREP narrative, and the monetization tables, as applicable.

a. Ration Calculator

The Ration Calculator tab in FFPMIS will be completed first, as the data entered in this tab is used to auto-populate fields in subsequent tabs in FFPMIS. Awardees must enter all commodities being used in their activity, whether for monetization or direct distribution. The ration calculator allows awardees to enter food rations by program area or element and activity. Based upon the number of food assistance distributions, the ration calculator will then provide the total metric tonnage for one implementation year per commodity and program area or element.

b. Annual Estimate of Requirements

The commodities for direct distribution entered in the Ration Calculator tab will automatically transfer to the AER tab. Awardees should then enter metric tonnages for each monetization commodity, as applicable. Awardees should note that the disaggregation of program areas or elements by commodities for direct distribution and monetization is reflected in two corresponding sections on the AER.

c. Commodity Pipeline

The CP is a crucial tool for an awardee to justify when CFs must be made for its food security activity. It also shows planned distributions for the FY. FFP/W will refer to this tab to make monthly resource allocation decisions, relying on the arguments put forth by the awardee to advocate for funding when resources are scarce. CP information will help FFP/W to better schedule and prioritize funding actions. This tab is not an official procurement mechanism for FFP, but rather an important planning tool for the office. It presents the awardee's food security commodity and resource requests and projected usage for the existing commodities (carry-in) and those being requested in the upcoming fiscal year. Values entered in the CP are the approved values for the award, so it is essential to ensure their accuracy.

2. Executive Summary Table (EST)

The EST is a funding and MT snapshot. The EST tab automatically generates the Section 202e costs and estimated commodity and freight costs associated with the commodities that the awardee is requesting via the AER and CP. Additionally, awardees can enter requested levels of Title II ITSH and cost share. The EST tab sums up all of the different cost categories to generate a total cost to FFP for the PREP request and for the LOA.

3. Development Assistance (DA) Summary/Project Funds

These tabs in FFPMIS allow the awardee to present the levels of CDF cash resources (DA Summary or Project Funds tab, depending on the year of your award) or Enhanced Section 202(e) (Project Funds tab) that the activity will be requesting during the FY of the PREP.

ANNEX I: Monetization²

PREP Documents to be Uploaded into FPMIS

For awardees that are monetizing commodities, please find specific information listed below in addition to the instructions in the guidance. Include a separate section in the PREP narrative that addresses the following topics.

1. Monetization Budget

The amount of monetization proceeds expected to be generated during the upcoming year should match the awardee's monetization budget. If the amount of expected monetization proceeds exceeds the amount from the approved budget, the awardee should reduce the request for monetization commodities. If the monetization proceeds exceed the amount in the awardee's approved budget, the awardee must discuss factors affecting resources tied to this windfall and obtain AOR approval to expend the surplus proceeds. Awardees should also note in this section any monetization information that is not yet available as well as the anticipated date for availability of the information.

BUDGET ALERT

As per 22 C.F.R. 211.5 (a), requests in the PREP for cumulative budget shifts of monetization proceeds, by program area or element, of ten percent or more require AO approval and should be discussed with the AOR prior to PREP submission.

2. Timing and Maximizing Monetization Proceeds

In order to obtain the best sales prices, the awardee should provide justification for their monetization timing. The awardee should also discuss how the monetization corresponds to the agricultural sector of the host country, market cycles, information presented in the Bellmon Estimation Study³ and subsequent updates, along with the awardee's knowledge of the market. Additional issues to address include, but are not limited to:

- How will the awardee ensure that the value of the monetization proceeds will not diminish due to currency fluctuations and/or devaluation?
- How will the awardee compensate for a shortfall of monetization proceeds or modify the food security activity accordingly?
- Any shortfalls and modifications must be discussed with the AOR.

3. Monetization Expenditures

Spending available monetization proceeds should be prioritized over spending Section 202(e) funds and ITSH funds, if appropriate. However, an awardee should not arbitrarily increase the rate of spending in the final months of the award simply to expend remaining funds in any funding category. Unless previously discussed with the

² Most Food for Peace activities are not currently monetizing.

³ For more information on the Bellmon Estimation Studies, please visit www.usaidbest.org.

AOR and the FFP/M/R, expenditures are expected to stay within approved LOA budget levels. Awardees should explain any deviations from approved implementation year budget levels.

Data Entered Directly into FFPMIS

1. Monetization-Related Information

The monetization-related information entered into FFPMIS, in conjunction with the description in the PREP narrative, enables the AOR to determine whether monetization proceeds are on target for the approved budget, or whether changes are needed. Awardees should note that the monetization budget and request amounts should match the corresponding monetization amounts provided in the resource summary table, part of the tracking tables for resources and beneficiaries. Information provided in the narrative should correspond with and complement the monetization information entered into FFPMIS.

a. Anticipated Monetization Proceeds and Cost Recovery

Awardees should complete the Cost Recovery Table (CRT) tab in FFPMIS for expected monetization proceeds and cost recovery for the upcoming implementation year, as applicable.

i. The actual monetization proceeds and cost recovery figures for the upcoming implementation year will be captured within the awardee's subsequent ARR and on a quarterly basis with the submission of the federal financial forms.

b. Life of Activity Analysis for Monetization Proceeds

Awardees should complete the LOA Monetization tab in FFPMIS. LOA expenditures are expected to stay within approved LOA budget levels. Explain any deviations from the approved implementation year budget levels in the monetization narrative.

ANNEX II: Environmental Status Report Guidance *(Updated April 2017)*

I. Background and Purpose

The Environmental Status Report (ESR) describes the resource needs to implement all environmental safeguard and climate integration tasks and activities during the upcoming implementation year of a development food security activity. See Attachment 1 for the ESR Template. The ESR should be completed for development and multi-year emergency awards.

The resource needs for environmental compliance and climate integration tasks and activities must be reflected in the PREP detailed and comprehensive budgets, budget narrative and be explained in detail in the ESR. The ESR should explain and justify any changes in environmental compliance requirements that are scheduled or expected during the upcoming implementation year.

In addition, as with the PREP for the overall activity, the ESR assists FFP to understand whether or not the food security activity is “making adequate progress towards achieving” environmental safeguards and climate risk reduction as detailed in the RFA Initial Environmental Examination (IEE), Activity IEE and Environmental Mitigation and Monitoring Plan (EMMP), and relevant Pesticide Evaluation Report and Safe Use Action Plans (PERSUAPs) or Environmental Assessments (EAs) for larger infrastructure like roads, bridges, irrigation or dams. Approval of the ESR is dependent upon the satisfactory completion of each component listed below.

II. Components of the ESR

1. Introduction to the Environmental Status Report
2. Staffing and Budget for Upcoming Implementation Year
 - a. Staffing and Expertise
 - b. Budgeting for Environmental Compliance
3. Progress Towards Achieving Environmental Compliance
 - a. Previous BEO Conditions
 - b. EMMP Reporting
 - c. Integration into Performance M&E Systems
 - d. Reducing Risk from Climate and Other Environmental Limiting Factors
 - e. Fumigation PEA
 - f. Lesson Learned and Innovation

III. ESR Submission



The ESR template (Attachment 1) will be completed and uploaded into the Food for Peace Management Information System (FFPMIS) with the PREP. The ESR must be approved prior to the PREP approval, unless justification is made otherwise. Review and clearance of the ESR is conducted by the USAID Mission or Regional Office, [Mission Environmental Officer](#) (MEO), USAID Agreement Officer's Representative (AOR), and [Bureau Environmental Officer](#) (BEO) for the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA). The BEO may provide a Decision Memo for the ESR outlining any BEO conditions.

Attachment 1: Template for Food for Peace Environmental Status Report (ESR)

Activity Title:	
Implementing Partners(s):	
Award #:	
Geographic Location:	
Operating Unit(s): DCHA Food for Peace	
PREP Year:	
IEE Link:	
Amount of Dollar Funding Requested in the PREP: \$	
Amount of Commodity: \$	Life of Award (LOA): \$
Activity Start and End Dates:	
ESR Prepared By:	Date Prepared:
Recommended Threshold Determination: <input type="checkbox"/> Categorical Exclusion <input type="checkbox"/> Negative Determination <input type="checkbox"/> With Conditions <input type="checkbox"/> Positive Determination <input type="checkbox"/> Deferral	

FORMATTING NOTE:
 AWARDEES MUST FOLLOW THE GUIDANCE WITHIN THIS TEMPLATE FOR THE ENVIRONMENTAL STATUS REPORT. **NOTE:** THE INFORMATION HIGHLIGHTED IN **YELLOW** SHOULD BE DELETED PRIOR TO SUBMISSION OF THE ESR TO USAID .



USAID APPROVAL OF ENVIRONMENTAL ACTION(S):

Mission (or Regional Office, as appropriate):

Mission Environmental Officer (MEO) _____ Date: _____

Food for Peace Officer* _____ Date: _____

Regional Environmental Officer (REO)* _____ Date: _____

Food for Peace, Washington:

Agreement Officer's Representative (AOR) _____ Date: _____

DCHA Bureau Environmental Officer (BEO) _____ Date: _____

CC to:

DCHA Climate Integration Lead (CIL); Regional Bureau Environmental Officer (BEO), if relevant

**Clearance recommended, but optional.*

1. Introduction to the Environmental Status Report

Provide a brief synopsis of progress towards achieving environmental compliance and climate integration objectives as detailed in the RFA IEE, Activity IEE and EMMP. In addition, the awardee should demonstrate compliance with USAID environmental regulations (22 CFR 216) and address concerns and recommendations that have been identified in the prior approved IEE and/or ESRs.

Awardees whose programs are making only limited progress towards achieving environmental compliance and climate integration objectives should provide an explanation, including a description of the operating environment, the extenuating circumstances that are impeding progress, and specific ways that the awardee plans to address these obstacles in the upcoming year and in the program out-years.

2. Staffing and Budget for Upcoming Implementation Year

This section must include responses to Topics 1-4:

A. Staffing and Expertise:

- *Topic 1: Describe staffing plan for implementation of environmental safeguards during the next year, as consulted with the AOR. This plan will include responsibilities, level of effort, authority of staff. A full-time staff with the necessary expertise is strongly recommended for monitoring and reporting to USAID in a timely and professional manner. For guidance in developing a necessary budget for related sub-activities, USAID has developed a [toolkit](#) describing methods of budgeting for environmental safeguards and compliance .*
- *Topic 2: Please describe any environmental assessments (e.g., roads, irrigation), trainings or workshops that will be carried out in the upcoming implementation year (e.g. EA, PERSUAP, FMP, climate risk or vulnerability assessments, community resource mapping exercise, staff training on EMMP monitoring, etc.).*

B. Budgeting for Environmental Compliance:

- *Topic 3: Provide a description of the upcoming year's budget for the materials and services needed for environmental requirements, as consulted with the AOR. Illustrative sub-activities are described in Box 2, Page 13 of the USAID environmental budgeting [toolkit](#) and listed below:*
 - *Staffing for implementing environmental safeguards, conducting trainings and community outreach, conducting environmental monitoring visits, etc.*
 - *Fumigation services.*

- Environmental assessments for roads, irrigation, etc.
- Community environmental training, such as on fuel-efficient cooking practices.
- Mitigation and monitoring measures, such as water quality testing.
- Travel and transport for environmental monitoring.
- Equipment needed to meet environmental requirements.

• Topic 4: Demonstrate that the environmental compliance budget is clearly reflected in the PREP budget and narrative. Especially where/if obvious line items do not exist, then this must be reflected in the budget narrative. These budget papers will be reviewed as part of the ESR clearance, and lack of clarity here will cause delays in approval.

3. Progress Towards Achieving Environmental Compliance

This section must include responses for Topics 5-13:

A. Previous BEO Conditions:

• Topic 5: Describe USAID BEO conditions from the most recent and relevant Decision Memo(s) (e.g. may be for IEE, previous ESR, PERSUAP, or Environmental Assessments). A specific discussion must be included for each condition. Please discuss any challenges or new opportunities identified by the awardee in meeting these conditions.

B. EMMP Reporting:

• Topic 6: Provide a narrative on progress towards the implementation of the EMMP. Include description of the EMMP environmental monitoring systems that are in place. Include staff or beneficiary trainings conducted, photos of mitigation measures and activities, etc. Also, reference associated cost elements for the EMMP implementation as in Section 2 of the ESR ("Staffing and Budgeting for Upcoming Implementation Year"). This section should also discuss how EMMP systems are coordinated with overall performance M&E as described in the [FFP Policy and Guidance for Monitoring, Evaluation, and Reporting for Development Food Security Activities](#).

• Topic 7: Attach Table 2 of the EMMP as an annex to the ESR, and in this section, including any changes. Provide justification for any EMMP changes.

• Topic 8: Describe how the activity involved beneficiary community-members in the EMMP implementation or environmental mitigation approach (e.g., any social and behavioral approaches at the community level).

C. Integration into Performance M&E Systems:

- *Topic 9: Indicate how the awardee has ensured sufficient inclusion of environmental aspects (as described in the EMMP) into the food security M&E Plan, as described in [FFP's Policy and Guidance for Monitoring, Evaluation, and Reporting for Development Food Security Activities](#) (Section 2.4 on EMMP, p. 36).*

- *Topic 10: Briefly comment on or justify changes to any relevant USAID climate adaptation indicator or other environmental performance indicators. Full details of the results of the indicators are primarily discussed in the Annual Results Reports (ARRs), and need not be described fully here.*

D. Reducing Risk from Climate and Other Environmental Limiting Factors:

- *Topic 11: Demonstrate how the awardee has sufficiently integrated planning for climate risk and vulnerability in decision-making as per the Climate Risk Management for USAID Projects and Activities [A Mandatory Reference for ADS Chapter 201 requires](#). Also include discussion of plans to reduce risk from other environmental limiting factors such as geohazards as in 22 CFR 216.1(b)(4).*

E. Fumigation PEA:

- *Topic 12: Provide a description of how awardee is meeting the requirements of the [USAID Programmatic Environmental Assessment \(PEA\) for Phosphine Fumigation of Stored Agricultural Commodity](#), by attaching the most recent Fumigation Management Plan (FMP). If no FMP has been completed, provide justification and timetable for completion.*

F. Lessons Learned and Innovation:

- *Topic 13: Discuss any other lessons learned and/or innovation regarding the implementation of systems for climate and environmental resilience and compliance. The awardee is asked to share with USAID any examples to institutionalize environmental safeguards as a cross cutting theme into the awardee's monitoring systems (e.g. field-based environmental monitoring systems, community-level social and behavioral change tools/strategies, community incentive awards, etc).*